

**REMARKS<sup>1</sup>**

In a non-final Office Action dated July 13, 2010 ("Office Action"), the Examiner rejected claim 38 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement; and rejected claims 38, 40, and 41 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,629,980 to Stefik et al. ("*Stefik*") in view of U.S. Patent No. 5,889,868 to Moskowitz et al. ("*Moskowitz*").

By this Amendment, Applicant has amended claim 38 and added claims 54-58. This amendment adds no new matter and is fully supported by the specification. The Applicant respectfully traverses the aforementioned rejections and requests reconsideration based on the following remarks. In addition, the Applicant does not necessarily agree with or acquiesce in the Examiner's characterization of claims or the prior art, even if those characterizations are not addressed herein.

**Claim Rejections Under 35 U.S.C. § 112**

The Examiner rejected claim 38 under 35 U.S.C. § 112, first paragraph, as allegedly failing to comply with the written description requirement. *Office Action* at 3. Specifically, the Examiner alleged that the specification and the original claims do not disclose a "first" communication channel. *Id.* Thus, the Examiner concluded, that claim 38 fails to convey that the inventor had "possession of the claimed invention." *Id.*

Applicant submits that the inclusion of "first communication channel" of claim 38 complies with the written description requirement under 35 U.S.C. § 112, first

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<sup>1</sup> The Applicant notes that the Office Action mistakenly lists the filing date of the application as December 20, 2002. *Office Action* at 2. As discussed and agreed upon in a phone conversation with the Examiner on October 4, 2010, the correct filing date is July 10, 2003 and the December 20, 2002 date noted in the *Office Action* is just a typographical error.

paragraph. Nonetheless, Applicant has amended claim 38 to expedite prosecution.

Accordingly, the Applicant respectfully requests that the Examiner withdraw the rejection of claim 38 under 35 U.S.C. § 112, first paragraph.

**Claim Rejections Under 35 U.S.C. § 103**

Claims 38, 40, and 41 stand rejected under 35 U.S.C § 103(a) as being unpatentable over *Stefik* in view of *Moskowitz*. Applicant submits that a prima facie case of obviousness has not been established under 35 U.S.C § 103(a) to reject claims 38, 40 and 41. In particular, the Applicant respectfully submits that the cited references, whether viewed separately or in any combination, fail to disclose or suggest, the elements recited in claims 38, 40, and 41.

Claim 38, as amended, recites a rights management method comprising the step of, *inter alia*:

“refreshing the control information using a refresh decoder and steganographically encoding the content signal with the refreshed control information, if copying to the second device is permitted.”

Applicant respectfully submits that *Stefik* and *Moskowitz*, alone or in combination, fail to disclose or suggest at least this claim element.

*Stefik* discloses a system in which “[u]sage rights are attached directly to digital works.” *Stefik*, Col. 9: l. 8. Further, *Stefik* discloses that usage rights are attached in a “rights portion” of a digital work. *Id.* at Col. 9: l. 60. See also Fig. 7 and Fig. 10.

Nowhere, however, does *Stefik* provide any disclosure or suggestion of “refreshing the control information using a refresh decoder and steganographically encoding the

content signal with the refreshed control information, if copying to the second device is permitted," as recited in amended claim 38.

*Moskowitz* fails to cure at least the aforementioned deficiencies of *Stefik*.

*Moskowitz* relates generally to "implementations of digital watermarks." *Moskowitz*, Col. 2: l. 26. The digital watermarks of *Moskowitz* are integrated "as closely as possible to [a] content signal, at a maximal level, to force degradation of the content signal when attempts are made to remove the watermarks." *Moskowitz*, Col. 2: l. 62-65. Nowhere, however, does *Moskowitz* provide any disclosure or suggestion of "refreshing the control information using a refresh decoder and steganographically encoding the content signal with the refreshed control information, if copying to the second device is permitted," as recited in amended claim 38.

For at least the above reasons, Applicant respectfully submits that claim 38 is not obvious over *Stefik* and *Moskowitz* alone or in combination, and is therefore allowable. Claims 40, 41, and 54-58 depend from claim 38, and are allowable for at least the same reasons as claim 38. Accordingly, Applicant respectfully requests reconsideration and withdrawal of the rejection of claims 38, 40, 41, and 54-58 under 35 U.S.C. § 103.

**Conclusions**

In view of the foregoing remarks, the Applicant submits that this claimed invention, as amended, is neither anticipated nor rendered obvious in view of the prior art references cited against this application. The Applicant therefore requests the Examiner's reconsideration of the application, and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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